



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285
DAVE GOETZ
COMMISSIONER**

August 9, 2010

Comptroller of the Treasury
Members of the General Assembly
State Capitol
Nashville, TN 37243

We welcome the auditor's unqualified opinion letter regarding the 2009 Tennessee Comprehensive Financial Report (CAFR). We all agree that despite delays made necessary by implementation of the new Edison system, our processes retain the strong financial integrity Tennesseans expect. We are also taking steps to shorten the process for FY2010 and beyond.

The complexity of any system implementation as large as Edison that impacts as many users presents many challenges. Thanks to the hard work of many state employees, we met those challenges, responding appropriately in cooperation with the state agencies involved, while keeping our legislative partners aware of our actions and progress.

Producing the CAFR was made more challenging by the additional time required for implementation of the final processes, an adjustment that demanded available resources be used there instead of in the closing process. However, problems we experienced over the past year have led to improvements in operations. We have established an aggressive schedule to complete the CAFR for FY10 by December 31, 2010. If successful, that would return the closing process to its normal schedule.

We continue to work with departmental staff on the day-to-day functions of the Edison system, making improvements when necessary, and we are now moving steadily ahead. As we continue to move forward, we will:

- Develop and share implementation "lessons learned;"
- Maintain active user groups in key areas;
- Continue to work with departmental leadership to maximize Edison functionality and address any system issues;
- Continue to develop financial reports and train agency staff in developing their own reports; and,
- Continue to monitor Edison system's internal controls.

The Edison system replaces more than 20 major outdated and inflexible legacy systems that were 15- to 30-years old. We're glad to complete implementation and move forward to use this tool to better serve our employees, business partners and citizens. We thank you and all involved for your patience and support.

Sincerely,

M. D. Goetz, Jr.